

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**D.E. WINE INVESTMENTS, INC.,
CRD#21188;
DUNCAN E. WINE, CRD#1263728**

Respondents.

**STIPULATION AND CONSENT
ORDER**

Docket No. SD-06-0081

Docket No. SD-06-0082

The Utah Division of Securities ("Division"), by and through its Director of Licensing, George Robison, and D.E. Wine Investments, Inc., and Duncan E. Wine (collectively, "Respondents") hereby stipulate and agree as follows:

1. Respondents were the subject of an examination conducted by the Division into allegations that they violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-1, *et seq.*
2. In lieu of the Division filing a petition for disciplinary sanctions, Respondents and the Division have agreed to settle this matter through this Stipulation and Consent Order

("Order"). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to this matter.

3. Respondents admit the jurisdiction of the Division over Respondents and over the subject matter of this action.
4. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on Respondents' behalf.
5. Respondents have read the Order, understand its contents and submit to this Order voluntarily. No promises or threats have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
6. Respondents have been advised of their right to obtain legal counsel and have chosen to represent themselves.

I. FINDINGS OF FACT

The Division makes the following findings:

7. D.E. Wine Investments, Inc. ("D.E. Wine") is a broker-dealer located in Houston, Texas, which has been licensed in Utah since June 1989.
8. Duncan E. Wine ("Wine") is the President and Director of D.E. Wine. Wine was licensed in Utah as a broker-dealer agent from November 1990 until December 2001.
9. On May 1, 2006, the Division's Corporate Finance section ("Corporate Finance") received a Form D Rule 506 notice filing for a private placement offering by Gridline Communications Holdings, Inc. ("Gridline"), Division File No. B00591695.

10. The Form D filing identified Wine as the broker-dealer agent executing a sale of the Gridline offering to a Utah investor. Wine was not, however, licensed in Utah at the time of the transaction.
11. The Division requested additional information regarding all D.E. Wine agents conducting business in Utah. In response, D.E. Wine confirmed that Wine had conducted three trades for Utah customers while unlicensed during a two-year period, as follows:
 - a. On July 6, 2004, Wine sold 15,000 shares of CLYW for a Utah resident (“client #1”), and was paid a commission of \$395.49.
 - b. On August 24, 2004, Wine purchased \$25,000 worth of Gridline convertible notes for a second Utah resident (“client #2”), and was paid a commission of \$2,500.
 - c. On March 30, 2006, Wine purchased an additional \$3,500 of Gridline convertible notes for client #2 and was paid a commission of \$350.00.

II. CONCLUSIONS OF LAW

12. Wine violated Utah Code Ann. § 61-1-3(1) of the Act because he transacted business in Utah as an unlicensed broker-dealer agent.
13. D.E. Wine violated Utah Code Ann. § 61-1-3(2)(a) of the Act by employing or engaging an unlicensed broker-dealer agent, Wine.
14. D.E. Wine failed to reasonably supervise its agent, Wine, who acted as an unlicensed broker-dealer agent, warranting sanctions under § 61-1-6(2)(j) of the Act.

III. ADMISSIONS BY RESPONDENTS

15. Respondents admit the Division's findings and the foregoing violations of the Act.

IV. REMEDIAL ACTION/SANCTIONS

16. Respondents shall jointly and severally pay a fine to the Division in the amount of \$2,500.
17. Respondents shall provide a copy of this Order to the two Utah investors. In addition, Respondents shall offer rescission, in compliance with Section 61-1-7 of the Act, to the Utah investors and shall report to the Division: i) the specific registration or exemption provisions of Section 61-1-7 relied upon in such rescission offers; and ii) the response received to the offers.
18. Wine shall complete the application process to become licensed as a broker-dealer agent in Utah, and shall not engage in the securities business in Utah until he becomes licensed.
19. Respondents shall cease and desist from any further violations of the Act.

V. FINAL RESOLUTION AND RELEASE


20. Respondents acknowledge that this Order, upon approval by the Division Director and Securities Advisory Board, shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Division Director and Securities Advisory Board do not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.
21. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against Respondents arising in whole or in part from

their actions, and that the Order does not affect any criminal cause of action that a prosecutor might bring.

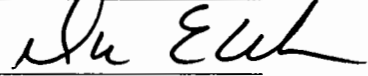
22. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way.

Utah Division of Securities

Date: 10-11-06

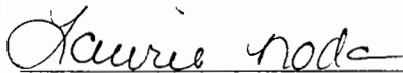
By: 
George Robison
Director of Licensing

Date: 10-2-06

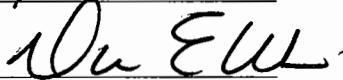
By: 
Duncan E. Wine
D.E. Wine Investments, Inc.

Its: President

Approved:


Laurie L. Noda
Assistant Attorney General

Date: 10-2-06

By: 
Duncan E. Wine

ORDER

Based on the foregoing, the Director hereby:

1. Finds that Respondents have admitted the factual conduct and the violations described in this Order.
2. Enters as his own findings, the Findings of Fact described in Section I, above.
3. Enters, as his own conclusions, the Conclusions of Law described in Section II, above.
4. Orders that:
 - a. Respondents jointly and severally pay a fine to the Division in the amount of \$2,500.
 - b. Respondents provide a copy of this Order to the two Utah investors. In addition, Respondents shall offer rescission, in compliance with Section 61-1-7 of the Act, to the Utah investors and shall report to the Division: i) the specific registration or exemption provisions of Section 61-1-7 relied upon in such rescission offers; and ii) the response received to the offers.
 - c. Wine shall complete the application process to become licensed as a broker-dealer agent in Utah, and shall not engage in the securities business in Utah until he becomes licensed.
 - d. Respondents cease and desist from any further violations of the Act.

DATED this 16th day of October, 2006.

Wayne Klein
WAYNE KLEIN
Director, Utah Division of Securities



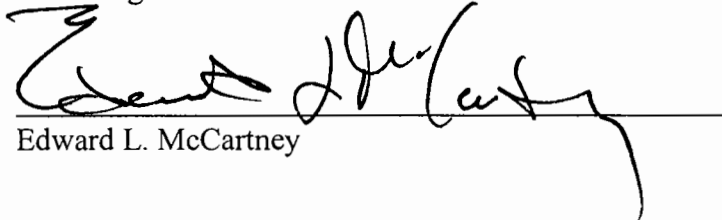
BY THE UTAH SECURITIES ADVISORY BOARD:

The foregoing Order is hereby accepted, confirmed and approved by the Utah Securities
Advisory Board.

DATED this 16th day of October, 2006.

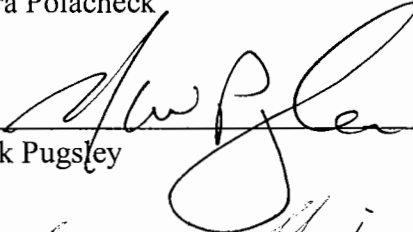


Tim Bangerter

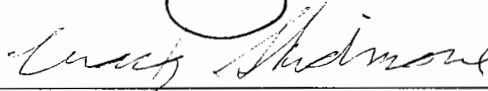


Edward L. McCartney

Laura Polacheck



Mark Pugsley

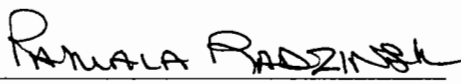


Craig Skidmore

Certificate of Mailing

I certify that on the 17th day of OCTOBER 2006, I mailed a true and correct copy of the Stipulation and Consent Order to:

W. Randal Miller
D.E. Wine Investments, Inc.
14505 Torrey Chase #440
Houston, TX 77014



Executive Secretary